

Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

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## CHINA: PROVINCIAL DEVELOPMENTS

Reorganization of Top Party Committees Complete

Summary

Reorganization and streamlining of the provincial party and government bureaucracies dominated provincial developments in the first quarter of 1983. Originally scheduled for last year but postponed because of political and organizational problems, the restructuring is now proceeding according to the timetable announced last September by Hu Yaobang. All of the provincial level party standing committees and many of the state bureaucracies have been overhauled; most of the party units were restructured in one big push during March. While the moves significantly tighten the reform group's control in the provinces, we believe that unless Beijing can overcome serious political and institutional obstacles much of the reform will remain merely cosmetic.

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Provincial reorganization has followed essentially the same pattern as last year's reorganization of the central government-- younger, reform-minded officials are being promoted. Beijing's stated goals include reducing the number of offices and size of staffs to make the government less cumbersome, and decreasing the average age and raising the educational level of provincial leadership. Most important, although not always cited first by the central leadership, appointees must support or at least go along with the wide-ranging reforms in politics and economics advocated by Deng and his supporters. They must have good

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political backgrounds, which means little involvement with the rebels or "beaters, smashers, and looters" of China's recent past--that is, no Cultural Revolution or Gang of Four adherents. They should be under 60 (65 for top posts) and have at least senior middle school education, and where possible some college. They should be relatively free of corruption.

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### Close Central Supervision

The reorganization was carried out under close central supervision. Central Committee work teams were sent to a number of provinces to oversee the process directly. Shanxi, for example, abandoned even the pretense of having followed democratic processes in appointing its new committee-- the Shanxi press simply announced that the province supported the decisions made in Beijing.

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The reorganization appears to have lived up to most of its announced goals. Beijing says that it has reduced the average age of local party leaders by five to eight years, roughly halved the size of party committees, and put an unprecedented number of college educated managers and technocrats in leading posts. Similar results have been announced for the reorganization of government organs in some provinces, but governmental overhaul is not yet complete. Most of the reduction seems to have been accomplished by retirement or by sending surplus cadres on rotational training assignments.

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### Inconsistencies

Anomalies exist, however, at the highest level of provincial leadership--several of the province chiefs do not meet the age or education criteria, such as reappointed Beijing First Secretary Duan Junyi, 71. At least three reappointed first secretaries have obstructed the reform program in the past. These inconsistencies are probably due in large part to a lack of qualified, politically reliable candidates with sufficient authority to head a province. We expect Beijing to appoint more reform leaders in some provinces as soon as suitable candidates are agreed upon.

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Perhaps the most striking exception to the reformers' success is Mao Zhiyong, recently reappointed First Secretary in Hunan. While he now loudly declaims the reformist line, Mao--a long-time supporter of the discredited Hua Guofeng and an opponent of Deng Xiaoping--has twice been forced to make self-criticisms. His reappointment to head a troublesome, traditionally leftist province can probably be reckoned a setback or forced compromise for the Dengists, who probably felt Mao was too entrenched in Hunan to dislodge without serious disruption.

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Opposition Still Strong

Opposition to the reform effort remains strong. Even at the provincial level some officials, such as former Sichuan First Secretary Tan Qilong, have indicated that they intend to use their advisory commission posts to continue to influence provincial affairs. In one province senior officials have refused to retire unless four demands are met:

- advisory positions with offices
- jobs for their children
- a suitable residence they can bequeath to their families
- continued access to classified documents.

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Beijing has been unable to prevent the reorganization from becoming a weapon in factional infighting. In Yunnan and Zhejiang, for instance, dismissals and trials that were heralded in the local press as motivated by reform were in fact moves by one faction against another. Some of these factions predate the Cultural Revolution. The reformers themselves have used reorganization to reduce the influence of certain factions in favor of others that they found less threatening. The leadership will have to settle for keeping the process fairly orderly and seeing that politically acceptable factions are the main beneficiaries.

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As the reorganization works its way down to the sub-provincial level, problems will intensify. Perhaps the most intractable will be the resistance of older cadre to retirement. It will be harder to find face-saving advisory posts and to fund retirement benefits for these cadre even if they are inclined to accept them. Veteran cadre in Guangxi, for example, have resisted retirement and say they "wish to carry on the work until death." The problem is aggravated by the fact that many of the cadre who are of the right age to take over lower level posts are poorly educated, thanks to the Cultural Revolution onslaught on the educational system, or are politically suspect because of their involvement in the Cultural Revolution.

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BriefsFujian-Japan Joint Venture

Fujian, which in the past has concentrated on trade with Hong Kong companies, has announced it intends to greatly expand its trade with Japan in 1983. Governor (then Vice Governor) Hu Ping signed an agreement in Japan late last year for technology

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imports in several fields, including geothermal power generation, mixed feed production and antibiotics. The province also plans to establish joint ventures in chemicals, ceramics and cement production. Fujian is targeted for economic development in part because of its position opposite Taiwan. One of China's four special economic zones is located in Xiamen, Fujian.

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### Qinghai Goes for the Gold

Taking advantage of recent expansion of foreign trade autonomy for non-coastal provinces, new Qinghai Governor Huang Jingbo has announced ambitious development plans. These include establishing ties with provinces having port facilities, setting up direct trade links with foreign countries, attracting foreign investment and removing the party from day-to-day economic decision making. Huang, who previously served in Guangdong, hopes to apply some of the policies adopted there to Qinghai.

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### Artists to be Made Responsible

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Moves are underway in some provinces to apply "responsibility systems," darling of the reformers, to art, literature and theater. In Shanghai some party officials are unhappy that theatrical troupes, in order to attract more customers--a necessity under the responsibility system--are dropping moral and ideological didacticism in favor of romance and comedy. While there has not been an outbreak of anti-party theater or its dangerous cousin satire, the officials are unhappy that theaters are so blithely abandoning their socialist education mission. This collision of policies, each touted separately by the government, is a good example of the sort of problem facing the Chinese as they try to chart a way through the unexpected complexities of the reform agenda.

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